

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

RATE ADJUSTMENT DUE TO EXTRAORDINARY
OR EXCEPTIONAL CIRCUMSTANCES

Docket No. R2013-11

**UNITED STATES POSTAL SERVICE NOTICE
OF FILING OF MATERIALS REQUESTED AT THE
TECHNICAL CONFERENCE OF STEPHEN NICKERSON**
(November 6, 2013)

At the Technical Conference of Stephen Nickerson on November 1, 2013, requests were made for a variety of material. The requested materials are attached to this Notice electronically. They include NPHSR (National Payroll Hour Summary Report) by Retirement Plan (5 files), the latest Indexes from Global Insight (1 file), and Final Retiree Health Benefits Data (1 file). An additional Excel file (List of Tech Conf Files.xls) gives further details.

Additionally, an inquiry was made about component 1258 of the rollforward (PCCM) with regard to the Mail Volume effect. The Roll Forward model input table indicates that component 1258 (Maintenance Labor Subtotal for Mail Processing) should get a Mail Volume effect. It appears that the model filed in Docket No. R2013-11, USPS-R2010-4R/7, is not applying the Mail Volume effect to this component, despite the intent that it should. Upon further review, the Roll Forward model is applying this effect to the component, but, the CRA Model is re-calculating component 1258 by summing up the individual mail processing maintenance labor components, which have not been given a Mail Volume effect. The CRA Model control table should

be corrected by editing the DK Master worksheet to remove the 'X' in the Addends column in the row for Component 1258. This will suppress recalculation of component 1258 and preserve the Mail Volume effect. This correction causes minimal impact to the results of the PCCE Model¹. The impact to the unit costs shows up in the third or fourth decimal place, as shown in the attached Excel file (Comp1258Impact.xls).

An additional request was made about cost reduction files, which in previous omnibus rate cases were filed in USPS-LR-49. Those files are being prepared, but completion is not expected until sometime near the end of next week at the earliest. They will be provided as soon as they are available.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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¹ Component 1258 is used to distribute the space associated with Mail Processing Equipment Maintenance, one of 74 different space categories. A small change in this component will have a small impact to the overall space distribution key when it is summed over all 74 space categories.